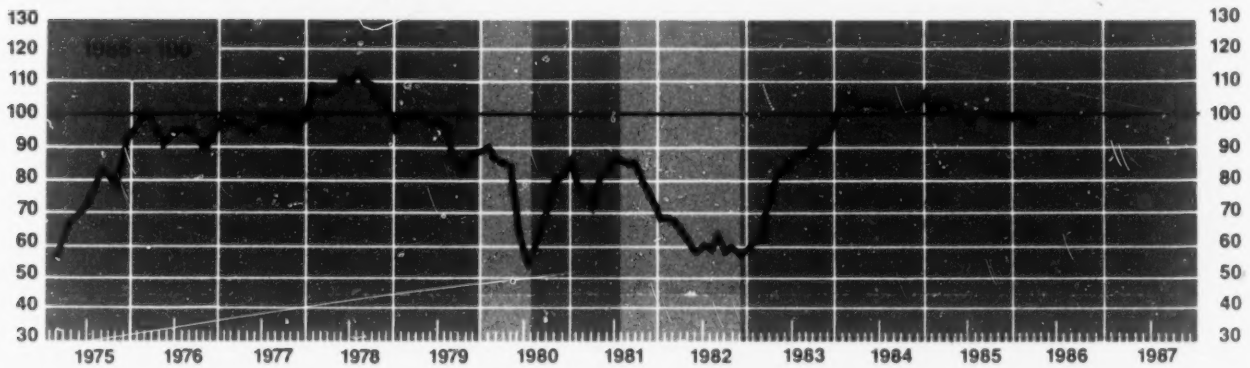
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

March, 1986



CONFIDENCE AND PLANS TO BUY DECLINE MODERATELY

Consumer optimism was down slightly for the second consecutive month. In February the Board's Confidence Index (1985 = 100) reading was 96.7, down about a point from the previous month, and three points lower than in December. Buying plans were also off marginally for the second month in a row.

Almost all of the loss in confidence stems from the consumer's less positive view of the ongoing situation. In the latest survey, slightly fewer persons than last time consider business conditions to be "good," with a similar decline in the number who say jobs are "plentiful."

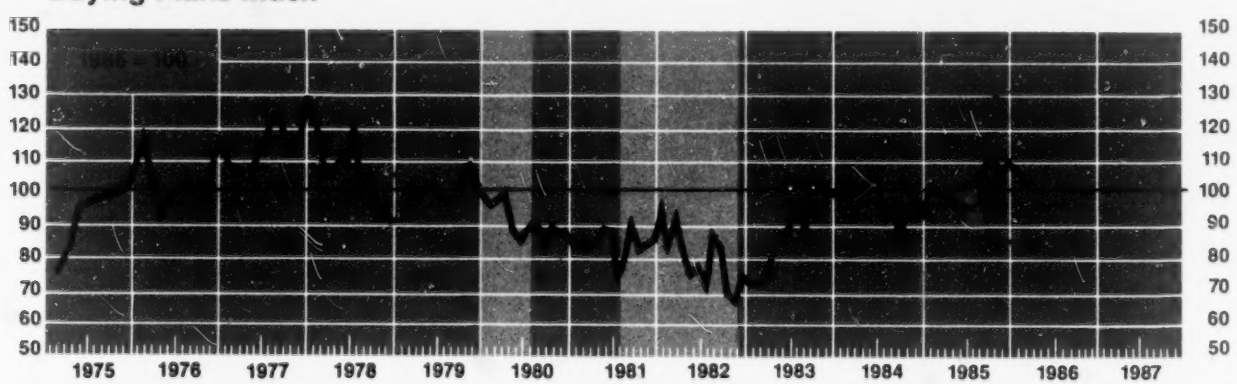
However, in assessing their expectations for the next six months, consumers are, on balance, just about as confident as they were a month ago. About as many persons as last time expect business conditions to improve, and their outlook on jobs is a bit more positive. However, in assessing their own family income, slightly fewer than last time anticipate an increase in the months ahead.

Buying plans are mixed, but, on balance, weaker. Interest in purchasing an automobile in the next six months edged back to 8.6%, down from a prior 9.0 percent. The timing of the auto industry's promotion programs probably has something to do with this. Interest in buying a home, however, rose to 4.0% of those contacted, and is now higher than in many years—evidently the result of lower interest rates. However, intentions to purchase a major appliance were down in February, after registering a strong gain in the month before.

The signals from the consumer have remained essentially unchanged now for well over a year. The measure of confidence has fluctuated in a narrow range, but still remains at a comfortably high level, despite the weak performance of the economy last year. Particularly reassuring is the sustained optimism of consumers about the months ahead.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1985 *Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	1986 *Jan. (r)*	*Feb. (p)*
						Composite Series: Index Numbers, 1985 = 100							
Consumer Confidence Index	104.0	98.0	101.0	96.6	100.0	101.2	99.6	98.9	99.3	98.7	99.8	97.8	96.7
Present Situation	101.4	97.1	104.4	98.5	99.9	101.2	95.2	97.4	100.6	99.7	101.3	100.4	97.9
Expectations	105.7	98.7	98.8	95.4	100.1	101.3	102.5	99.8	98.4	98.1	98.8	96.0	96.0
Buying Plans Index	98.7	98.4	97.4	89.5	96.3	93.1	98.4	107.3	110.3	101.2	108.8	105.6	101.1
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	28.1	28.4	29.1	27.8	28.6	27.9	26.2	26.6	28.2	27.4	28.7	27.3	26.5
Bad	19.0	20.0	18.3	21.0	20.5	20.5	23.4	21.8	21.4	21.3	21.0	21.8	21.7
Normal	52.9	51.6	52.6	51.2	50.9	51.6	50.4	51.6	50.4	51.3	50.3	50.9	51.8
Employment													
Jobs plentiful	18.8	18.4	18.7	19.2	19.2	19.3	18.9	19.6	19.8	19.5	19.7	19.6	18.8
Jobs not so plentiful	50.2	47.8	51.8	48.5	49.0	50.4	49.7	48.2	49.3	49.6	49.6	50.7	50.7
Jobs hard to get	31.0	33.8	29.5	32.3	31.8	30.3	31.4	32.2	30.9	30.9	30.7	29.7	30.5
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	23.0	20.2	19.5	19.2	20.7	20.0	21.8	20.8	22.0	19.9	19.7	18.1	18.1
Worse	7.4	9.1	8.9	9.4	8.8	8.1	8.7	8.9	10.8	9.1	8.5	8.7	8.4
Same	69.6	70.7	71.6	71.4	70.5	71.9	69.5	70.3	67.2	71.0	71.8	73.2	73.5
Employment													
More jobs	16.8	14.8	15.4	14.4	15.7	15.4	16.8	16.1	16.7	15.2	15.5	13.6	14.0
Fewer jobs	14.2	15.9	16.0	17.0	16.0	14.9	15.4	16.7	16.7	17.3	16.1	16.8	16.8
Same	69.0	69.3	68.6	68.6	68.3	69.7	67.8	67.2	66.6	67.5	68.4	69.6	69.2
Income													
Increase	27.8	27.0	25.3	26.2	27.4	26.1	27.3	26.0	27.4	29.8	26.7	28.2	26.5
Decrease	8.1	7.7	7.4	8.3	7.8	7.5	7.8	8.0	8.3	7.9	8.4	7.7	8.1
Same	64.1	65.3	67.3	65.5	64.8	66.4	64.9	64.0	64.3	62.3	64.9	64.1	65.4
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	9.0	8.8	8.6	8.1	8.2	8.1	8.5	10.6	8.9	9.1	10.2	9.0	8.6
New	4.6	4.8	4.9	4.5	4.7	5.1	5.0	6.0	5.1	5.3	5.4	5.1	4.3
Used	2.9	3.1	3.0	2.7	3.1	2.6	3.1	3.1	2.9	2.8	3.3	2.9	2.7
Uncertain	1.5	0.9	0.7	0.9	0.4	0.4	0.4	1.5	0.9	1.0	1.5	1.0	1.6
Home													
Yes	3.1	3.4	3.6	3.3	3.3	3.4	3.6	3.4	3.6	3.8	3.9	3.7	4.0
New	1.0	0.9	1.0	0.9	1.0	1.1	1.0	1.0	1.1	0.8	0.9	1.3	1.0
Lived in	1.3	1.6	1.6	1.5	1.5	1.5	1.5	1.6	1.7	1.9	2.1	2.0	1.8
Uncertain	0.8	0.9	1.0	0.9	0.8	0.8	1.1	0.8	0.8	1.1	0.9	0.4	1.2
Major appliances													
Total plans	29.0	27.9	27.1	24.5	27.9	27.8	27.8	28.4	35.9	28.5	29.8	34.5	29.5
Refrigerator	3.9	3.9	3.8	3.4	4.2	4.4	3.9	3.7	5.1	3.9	4.4	5.8	4.3
Washing machine	3.6	3.8	4.5	3.0	3.5	3.8	3.8	3.9	6.2	3.7	3.8	4.9	4.2
Black and white TV	0.7	0.8	0.4	0.5	0.5	1.0	0.7	0.4	0.7	0.7	0.7	0.5	0.7
Color TV	8.0	7.4	7.3	7.2	7.8	7.0	7.5	7.8	10.0	8.1	8.5	9.3	8.1
Vacuum Cleaner	5.0	4.6	4.2	3.9	4.5	4.1	4.5	5.0	5.1	5.1	4.9	5.7	4.5
Range	2.8	2.5	2.2	2.5	2.7	3.0	3.0	2.7	3.2	2.7	3.0	3.0	2.5
Clothes dryer	3.3	3.2	3.2	2.5	3.1	3.1	2.8	3.4	4.1	2.9	3.1	3.8	3.2
Air conditioner	1.7	1.7	1.5	1.5	1.6	1.4	1.6	1.5	1.5	1.4	1.4	1.5	2.0
Carpet	7.1	6.7	7.4	6.2	7.4	7.6	7.1	7.0	8.7	6.7	6.6	7.3	6.9
						Vacation Intended Within Six Months: Percent							
Vacation Intended	48.8		48.9		50.3		48.7		49.2		44.7		47.2
Destination													
Home state	9.6		9.3		9.7		9.4		8.8		8.0		9.1
Other state	33.7		33.8		35.2		34.0		35.4		32.2		32.1
Foreign country	7.1		8.2		6.9		7.1		6.0		5.9		7.5
Means of travel													
Automobile	29.6		30.1		32.1		29.9		29.8		26.1		28.3
Airplane	19.3		20.0		19.4		19.1		18.3		18.3		18.3
Other	4.6		5.7		4.3		4.1		3.8		4.5		5.1

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.